



RECORDATION NO. 21237 FILED

FEB 25 '98

11-23 AM

NorRail®, Inc.
Buying, Selling, Leasing
And Management of Railcars

308 12th Avenue South, Buffalo, Minnesota 55313 • Phone: (612) 557-0215 • Fax: (612) 682-2452

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street NW, Suite 700
Washington, D.C. 20423

February 19, 1998

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two originals of Memorandum of Railcar Lease Agreement dated as of September 17, 1997, a primary document as defined in the Board's Rules for Recordation of Documents.

The names and addresses of the parties to the enclosed documents are:

Lessor: NorRail, Inc.
308 - 12th Avenue South
Buffalo, MN 55313
Phone: 612-557-0215

Lessee: Rugby Farmers Union Elevator Services
c/o Harvest States Cooperatives
1667 Snelling Avenue
St. Paul, MN 55164
Phone: 612-646-9433

The Memorandum of Railcar Lease Agreement covers 18 Covered hoppers identified in Exhibit A to the Memorandum of Railcar Lease Agreement. Enclosed is our check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one stamped copy of the enclosed document to the undersigned. If you have any questions or require any further information in connection with this filing, please contact the undersigned at 612-557-0215.

Very truly yours,

Bradley C. Gunstad
Vice President & General Counsel
Enclosures

FORMS/STB

MEMORANDUM OF RAILCAR LEASE AGREEMENT

REC'D FEB 10 1998

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THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of September 17, 1997 by and between NorRail, Inc., a Minnesota Corporation ("Lessor") and Rugby Farmers Union Elevator Company a Minnesota Corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor various railcars pursuant to one or more Schedules to the Lease to be entered into by Lessor and Lessee from time to time, all as more particularly described in that certain Railcar Service and Lease Agreement No. 1755 dated September 17, 1997 between Lessor and Lessee (hereinafter referred to as the "Lease").
2. Pursuant to Schedule No. 1 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the 18 covered hopper railcars bearing the reporting marks and road numbers indicated on Exhibit A hereto, all as more particularly described in the Lease.
3. The Lease shall be effective as of the execution date thereof and shall be subject to the term of the Lease, as provided therein.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Railcar Lease Agreement to be executed as of the date first above written.

Lessee: NORRAIL, INC.

Lessor: RUGBY FARMERS UNION
ELEVATOR COMPANY

By: [Signature]

Its: [Signature]

By: [Signature]

Its: U. A. SALAS

By: [Signature]

Its: President

By: [Signature]

Its: [Signature]

EXHIBIT A

To

MEMORANDUM OF RAILCAR LEASE AGREEMENT #1755

Railcar Marks/Numbers

Original Cars remaining on Lease:

NRLX 46045
NRLX 46046
NRLX 46066
NRLX 46067
NRLX 46126
NRLX 46181
NRLX 46205
NRLX 46212
NRLX 46270

NRLX 46311
NRLX 46370
NRLX 46378
NRLX 46379
NRLX 46391
NRLX 47028
NRLX 47034
NRLX 47276
NRLX 47277

STATE OF NORTH DAKOTA, COUNTY OF PIERCE
TO WIT:

On this 30 day of December, 1997 before me personally appeared, Duane Johnston and Steve Fritel, to me personally known, who being by me duly sworn, says that they are the Manager and President, respectively of Rugby Farmers Union Elevator, Inc., a North Dakota Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My commission expires: 02 09-2002

STATE OF MINNESOTA, COUNTY OF WRIGHT TO
WIT:

On this 31st day of December, 1997 before me, personally appeared, Robert D. Johnson and L. Lee Spuble, to me personally known, who being by me duly sworn, says that they are the President and V.P. Sales, respectively of NorRail, Inc. a Minnesota Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Daie M. Blagovest
Notary Public

My commission expires: 1-31-2020